GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1823
ANSWERED ON:24.08.2007
LIBERALISED REMITTANCE SCHEME
Barad Shri Jashubhai Dhanabhai;Prabhu Shri Suresh Prabhakar

Will the Minister of FINANCE be pleased to state:

(a) the details of the Liberalized Remittance Scheme;

(b) whether the Government has announced some changes in this scheme; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) As a step towards further simplification and liberalisation of the foreign exchange facilities available to residents, Resident individuals were permitted to freely remit upto USD 25,000 per calendar year, for any permitted purpose with effect from Feb 4, 2004. The limit of USD 25,000 was subsequently enhanced to USD 50,000, with effect from Dec. 20, 2006 and has since been enhanced to USD 100,000 per financial year, with effect from May 8, 2007. All Resident Individuals are eligible to avail of this facility under the Scheme. However, the facility is not available to corporate, partnership firms, HUF, Trusts etc.`The facility is available for making remittances for any permitted current or capital account transaction or combination of both, without prior approval of the Reserve Bank. Under this facility, resident individuals are free to acquire and hold immovable prapsrty Qr shares fir any other asset outside India. Individuals are also allowed to open, maintain and hold foreign currency accounts with a bank outside India for making remittances under the Scheme without prior approval of Reserve Bank. This facility is in addition to the facility already available for private travel, business travel, studies, medical treatment, etc. However, the separate facilities earlier available to resident individuals for remittances towards gift, donations and investment in overseas companies has been subsumed under the enhanced limit uf USD 100,000.